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April 8, 2005

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: AMERICAN CABLE ASSOCIATION (ACA) PETITION FOR RULEMAKING, RM-11203

Dear Ms. Dortch:

On behalf of our employees and the primarily rural cable broadband customers they serve, we are writing to express our strongest support for the ACA's petition for rulemaking on retransmission consent.

Based on first-hand experience, we can verify that this petition accurately describes the upcoming retransmission consent crisis. Broadcasters have made it clear that they will levy new cash-for-carriage demands, which (in turn) could force us to charge an additional \$5 to \$10 per customer per month. *That is not something we want to do nor can we afford to do.* ACA's solution to this problem is pro-competition, pro-consumer, and deregulatory. It will benefit the customers served by our company and help us keep down the costs of basic cable service.

Following is more information about our company and why we think the Commission should grant the ACA's petition.

COMPANY BACKGROUND

Founded in 2003, Cebridge Connections is an independent cable company that has consolidated a number of other small cable companies under one umbrella. Today, we operate approximately 700 headends, with an average of about 600 customers each, located in primarily rural communities.

When we took over the operation of these systems, less than 3 out of every 10 customers had access to broadband connections. Today – thanks to significant private equity investments – we have better than doubled this percentage, bringing broadband access to more than 7 out of every 10 customers. We believe this effort demonstrates that Cebridge is doing its part to answer Washington's bipartisan agenda of expanding broadband availability to the farthest reaches of the country.

To support future broadband investments in Rural America, it is critical that we maintain a viable cable TV business, although doing so is increasingly difficult. Despite the high, fixed

costs of delivering facilities-based service to rural communities, we are severely limited in our upward pricing flexibility, given (a) significant competition from direct broadcast satellite (DBS) companies; and (b) the rapidly rising costs of cable network programming, which, in many cases, is outpacing the rate of inflation. These factors have combined to drastically reduce our operating margins, leaving us little room for additional upgrades that would enable both broadband and competitive voice-service deployments to rural homeowners.

This is not an academic debate. To the contrary, it's quite real and carries painful consequences. Along with other factors, the cost pressures noted above forced us to shut down operations in about 80 different rural communities last year, affecting approximately 4,000 rural homes. Those systems were losing money and were not able to cover their costs. The unpleasant and unavoidable decision to shut them down effectively removed multichannel video competition for thousands of rural citizens *as well as* any near-term hope for broadband access and competitive phone services. Worse yet, we are *not* the only small operator who has had to make such a decision.

In this context, broadcasters' demands for additional compensation represents a major dilemma – especially when you consider that these broadcasters are all profitable, private companies seeking compensation for signals that are available free over the air, using free spectrum granted to them by the federal government. In short, their new demands – without appropriate regulatory and/or market controls – will place tremendous new pressures on our viability as a competitive provider of TV, broadband, and voice services to rural communities. We don't want to sound alarmist, but we sincerely believe these new demands could be the literal equivalent of the proverbial straw that broke the camel's back, wiping out competitive choice for hundreds of thousands of rural consumers.

WHY WE SUPPORT ACA'S PETITION

Essentially, the ACA is asking that operators like our company have the right to shop – and to do so *only when* a broadcaster demands a price for retransmission consent. In our markets, we're confident such latitude will help make retransmission costs more reasonable for our customers, because if the broadcasters in our markets know we have other alternatives, they will be more willing to negotiate reasonable terms. That type of free-market "pressure" already works quite well in other transactions – and we know it would work here, as well.

As stated in the ACA's petition, the problem is not that broadcasters demand a "price" for retransmission consent. The problem is that they block our ability to consider alternatives. The petition shows how this problem will easily cost consumers and smaller cable operators \$1 billion or more next year. In our markets alone, broadcaster demands could cost our company and its subscribers \$19 million or more next year – and approximately \$60 million over the three-year life of the agreements. We have already seen the early "warning signs" that this is the path broadcasters intend to follow. In Texas, one major-network broadcaster has threatened to deny their primary signal to us if we don't meet their demands – which include an unsustainable price for retransmission consent plus carriage of multiple digital signals, above and beyond their current analog signal. To date, they have declined to put these demands in writing, though we suspect it's only a matter of time before they do.

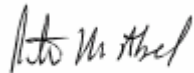
Bottomline: By making the limited changes requested by the ACA, the Commission will bring some market discipline to retransmission consent "pricing." This will help keep our costs down and benefit our customers.

OUR CONCERN FOR AND COMMITMENT TO LOCALISM

As a final point, we want the Commission to know we support local broadcasting and prefer to carry our local broadcasters. We currently provide thousands of hours of local programming on our cable systems. We understand the importance of this programming, but we also understand how much our customers are willing to pay for it.

In the end, we fully support a fair exchange of value for carriage of local signals. But when broadcasters demand a price, we need the ability to "shop" to establish a price that fairly reflects the value of the signal. Please act on the ACA's petition. Time is of the essence.

Sincerely,

A handwritten signature in dark ink, appearing to read "Peter M. Abel". The signature is fluid and cursive, with the first name "Peter" and last name "Abel" clearly distinguishable.

Peter M. Abel
Vice President, Community Relations